

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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SECURITY INFORMATION

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COUNTRY Czechoslovakia

REPORT

SUBJECT Organization of a Typical  
Czech Chemical Plant

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As can be expected, some plants may have more sections than others, or several sections may be combined into one, depending upon the size of the plant and the products which it is turning out. These changes would not normally occur in the major subdivisions of a plant administration, eg., Department of the First Deputy, Department of the Second Deputy, Department of the Third Deputy, Department of Finance, or in any of the four staff sections, Planning, Wages and Labor, Security, or Control; rather, changes could be expected in the subdivisions within these groups, particularly within the four departments.

25 YEAR RE-REVIEW

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2. Generally speaking, the organization of a plant or factory in Czechoslovakia was as follows. At the head of a plant was the director. Under him were four large departments, the Department of the First Deputy (or the Chief Engineer), the Department of the Second Deputy (or the Cadre Department), the Department of the Third Deputy (or the Commercial and Administrative Department), and the Department of Finance; the director also had four staff sections, Planning, Wages and Labor, Security, and Control. See Enclosure A for an organization chart of a Czech plant.

Plant Director (Podnikovy Reditel)

3. The director was personally responsible for the functioning of his plant; it was his responsibility to see that the plan was drawn up properly and on time and, especially, to see that the plan was fulfilled. In the overall functioning of the plant he was subordinate to the head of the main administration which had jurisdiction over his plant. 25X1

He received directives from the head of the main administration and also consulted with him concerning problems he would encounter in his plant. With the exception of the Eighth Main Administration, which may deal directly with the director of the plant, all divisions or branches of the Ministry having anything to discuss with the plant director had to do so through the head of his main administration. 25X1

Staff Sections

4. The heads of each of the four staff sections were directly responsible to the plant director. The size of each of these sections depended on the size of the plant and the type of production in which the plant was engaged. The four sections were as follows:
- a. Planning Section (Planovací Odbor). All planning at the various levels in the plant was coordinated by this section. Upon receipt of the plans from the various departments in the plant, this section proceeded to draw up the final plan which was then approved by the plant director and passed on to the main administration for consolidation into the plan for the entire main administration. After the approved and amended plan was returned to the plant, the Planning Section saw that each department received its part of it. During the course of the year the Planning Section made periodic checks to determine the degree of plan fulfillment.
  - b. Wages and Labor Section (Oddelení pro Práce a Mzdy). The principal functions of this section were to determine rates of production and to set up pay scales, both of which are incorporated into the plan, and, after the plan was in operation, to check that these rates and scales were adhered to. It also drew up the manpower needs of the plant, working closely with the Planning Section of the plant in carrying out this function. Such innovations as socialist competition were also initiated by this section.
  - c. Security Section (Oddelení Bezpečnosti). This section was charged with the physical security of the plant on such matters as passes, plant guards, fire control, etc.
  - d. Control Section (Kontrolní Oddelení). This section was responsible for preventing acts of economic sabotage and for investigating bottlenecks to determine whether economic sabotage had been committed.

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Department of the First Deputy - Chief Engineer, Office of the Chief Engineer (První Namestek Podnikového Ředitele - Hlavní Inženýr)

5. The Chief Engineer was the technical supervisor of all the production units of the plant and directly responsible to the plant director. Under him were the production units such as the sulphuric acid department, dvestuffs department, carbide department, etc. [redacted] he must have had a number of technicians assisting him. 25X1

Department of the Second Deputy for Cadre Affairs (Druhý Namestek Podnikového Ředitele pro Kádravé Záležitosti)

6. The head of this department was directly responsible to the plant director. His duties consisted of supervising the work of the different sections under his jurisdiction. These sections were:
- a. Section for Political Reliability of Employees (Oddelení Kádry). [redacted] checking on the political reliability of the plant's employees was its primary function. 25X1
  - b. Education Section (Oddelení Školní). Political courses were prepared by this section for presentation to the workers of the plant. Also, this section selected workers to attend the various technical schools operated by the Ministry.
  - c. Welfare Section (Oddelení Sociální Péče). Vacations, personal affairs of the workers, and other matters related to the general welfare of the plant's employees were handled by this section.

Department of the Third Deputy - Commercial and Administrative Department (Třetí Namestek Podnikového Ředitele pro Obchad - Administrativu)

7. The head of this department was directly responsible to the plant director for the functioning of his sections, which are:
- a. Supply Section (Zasobovací Oddelení). All raw materials and supplies needed by the plant were handled by this section.
  - b. Commercial Section (Obchodové Oddelení). Matters concerning the delivery of the plant's products to consumers or to storage warehouses were handled by this section. It prepared the contracts for the delivery of goods and ascertained that deliveries were made according to schedule.
  - c. Section for Control of Containers (Oddelení Obalové). This section had the responsibility of keeping track of all types of containers which were to be used again, such as oil drums, carboys for acids and other liquid chemicals, etc. Besides keeping a record of where these containers are located, this section also had to plan each year for the number of containers of each of the several types needed by the plant, particularly difficult task for chemical plants. (Those plants in the Ministry of Chemical Industry are more concerned with control of containers than most plants in other ministries, inasmuch as chemical plants naturally make considerable use of such containers as drums and carboys.)
  - d. Legal and Insurance Section (Oddelení Právní a Pojistovací). All legal problems involving lost, stolen, or destroyed products of the plant were handled by this section. No calculation of insurance rates was done by this section, since insurance on products is included in the price.

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- e. Transportation Section (Oddeleni Dopravni). All problems concerning transportation, including planning, were handled by this section. Besides keeping check on all vehicles belonging to the plant and making arrangements for the proper number of freight cars to be available when needed, this section also supervised the loading of freight cars to see that regulations were followed and that maximum use was made of freight space.

Economic and Financial Department (Podniko - Hospodarsky Odbor)

8. The head of this department, who was responsible for all matters concerning finance and, particularly, the financial plan, had considerable influence. Although he could only advise the plant director and could not give him orders, and could only advise him on financial matters, the head of this department had the authority to by-pass the plant director and complain to the head of the main administration should any of his recommendations go unheeded by the plant director. For example, should he feel that the plant had accumulated too many supplies or too many raw materials for the plant's financial balance, he could recommend to the plant director that the plant stop procuring those particular items which were overstocked. If his recommendations were not followed, he could inform the head of the main administration, thereby leaving the final decision up to him. [redacted] there may be more, but these are the important ones. 25X1
- a. Financial Section (Finanoni Oddelni). All matters connected with the financial plan were handled by this section. It prepared the financial plan, received funds from the State Bank, checks periodically on the degree of plan fulfillment, etc.
- b. Bookkeeping Section (Oddeleni Hlavnio Osetniho). This section kept records of the plant's business transactions.
- c. Payroll Section (Mzdova Ustarna). This section computed the workers' weekly wages on the basis of the number of hours worked and the pay scales established for different types of work.
- d. Price Calculation Section (Oddeleni Kalkulacni). This section set prices of items produced by the plant and submitted them as part of the plan; after the plan was placed in operation, this section checked to determine whether any price changes had to be made. If any changes were deemed necessary during the operation of the plan, the head of this section took it up with the head of the Economic and Financial Department; the latter discussed it with the plant director and the problem was carried up through the head of the main administration to the financial section of the ministry's planning division.

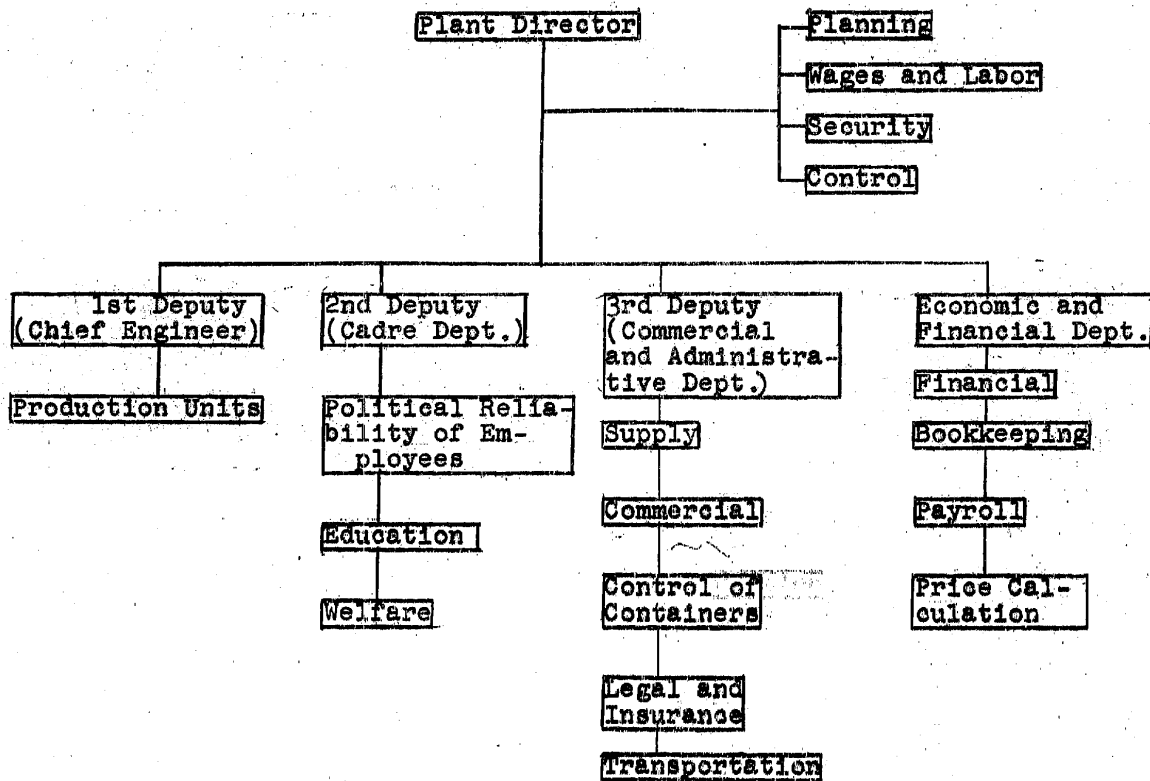
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Annex A

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Organization of a Czech Factory

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